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State of California—Health and Human Services Agency
Department of Health Services

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VENDOR ALERT 2007-03



ARNOLD SCHWARZENEGGER
Governor

TO: ALL WIC VENDORS

SUBJECT: NEW INFANT FORMULA CONTRACT

Purpose

I am writing to inform you that, effective August 1, 2007, the California Women, Infants, and Children (WIC) Supplemental Nutrition Program will implement a new infant formula rebate contract.

This is the first of three vendor alerts you will receive to help you during the upcoming transition.

Background

California WIC recently conducted a formula rebate bid to determine its infant formula contractor for the next three years and Mead Johnson and Company won the bid.

The United States Department of Agriculture requires the WIC program to determine its contract formula through a competitive rebate bid process. The contract is awarded to the bidder who proposes to provide formula at the lowest net cost to the State for each can sold to participants. The purpose of rebate contracts is to achieve cost containment so that more eligible women, infants, and children can receive WIC program benefits. Therefore, the formula rebate is a critical source of food dollars for the WIC program.

New Contract Formulas

The two primary contract infant formulas will be:

- Enfamil LIPIL with Iron (milk-based, 13 ounce, concentrate and 12.9 ounce powdered)
- ProSobee LIPIL (soy-based, 13 ounce, concentrate and 12.9 ounce powdered)

The majority of participants will receive food instruments (FIs) for these primary formulas. The two formulas listed above are the only formulas that you will be **required** to stock.

**New Contract
Formulas**

Other rebate formulas will be:

- Enfamil Lactofree LIPIL (13 ounce, concentrate and 12.9 ounce powdered)
- Enfamil Gentlease LIPIL (12 ounce powdered only)
- Enfamil AR LIPIL (12.9 powdered only)

A smaller number of participants may select one of these formulas.

**Vendor
Implications**

On August 1, 2007, WIC will implement a new infant formula rebate contract, which will result in authorization of a different brand of formula.

Until July 31, 2007, vendors will be required by their Vendor Agreement to stock sufficient supplies of the current contract formula, Similac Advance and Similac Isomil, so that participants can redeem their FIs through the rebate contract period.

Effective August 1, 2007, vendors will be required to stock Enfamil LIPIL with Iron and ProSobee LIPIL infant formulas.

FI Issuance

The majority of FIs issued on or after August 1, 2007, will be for one of the two new primary contract formulas. A much smaller number will be issued for the other rebate formulas.

Since, in July, some participants will be receiving FIs issued for two or three months at a time, FIs for both the old and new rebate contract formulas will be in circulation through the end of October. Please be aware that during the transition, some participants who received FIs for Similac Advance and Similac Isomil will be redeeming them in August, September, and October.

As you know, your vendor agreement requires you to only sell products that are specified on the face of the FI. Please instruct store staff to honor whichever formula is printed on the face of the FI.

Educational Materials	Sometime in July, WIC will have revised educational materials available for vendors to order, including the WIC Authorized Food List, California Shopping Guide, and color posters of the new primary formulas.
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Questions	If you have any questions, please contact your WIC Vendor Consultant directly or call (916) 928-8705.
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